

Financial Statements

FAIRWAYS FOR WARRIORS, INC.

December 31, 2020

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(With Independent Auditor's Report Thereon)

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SCHAFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 839-3330

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditor's Report

To the Board of Directors
Fairways for Warriors, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Fairways for Warriors, Inc., which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fairways for Warriors, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Schacter, Tschoff, Whitcomb, Mitchell & Shulman, LLP

May 28, 2021

FAIRWAYS FOR WARRIORS, INC.

Statement of Financial Position

December 31, 2020

Assets

Cash and cash equivalents	\$ 275,608
Accounts receivable	<u>2,000</u>
Total assets	<u><u>\$ 277,608</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable	\$ 2,041
Accrued expenses	<u>6,615</u>
Total liabilities	8,656
Net assets without donor restrictions	<u>268,952</u>
Total liabilities and net assets	<u><u>\$ 277,608</u></u>

See accompanying notes to financial statements.

FAIRWAYS FOR WARRIORS, INC.

Statement of Activities

Year ended December 31, 2020

Unrestricted net assets:	
Revenue and other support:	
Individual and corporate contributions	<u>\$ 430,280</u>
Total revenue and support	<u>430,280</u>
Operating expenses:	
Program services:	
Golf and counseling programs	240,414
Supporting services:	
General and administrative	44,735
Fundraising	<u>12,448</u>
Total expenses	<u>297,597</u>
Change in unrestricted net assets	132,683
Net assets at beginning of year	<u>136,269</u>
Net assets at end of year	<u><u>\$ 268,952</u></u>

See accompanying notes to financial statements.

FAIRWAYS FOR WARRIORS, INC.

Statement of Functional Expenses

Year ended December 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Contract services	\$ 66,544	16,636	-	83,180
Cost of goods sold	2,400	-	-	2,400
Administrative	-	7,728	-	7,728
Office expenses	-	7,382	-	7,382
Legal and professional fees	-	6,504	-	6,504
Insurance	-	6,485	-	6,485
Counseling	15,344	-	-	15,344
Donations to Warriors	40,498	-	-	40,498
Food expense	14,050	-	-	14,050
Gas/tolls	2,278	-	-	2,278
Golf equipment	12,617	-	-	12,617
Golf fees	60,921	-	-	60,921
Golf instructions	2,375	-	-	2,375
Shirts/hats	16,640	-	-	16,640
Warrior travel	1,616	-	-	1,616
Fundraising	-	-	12,448	12,448
Other expense	5,131	-	-	5,131
	<u>\$ 240,414</u>	<u>44,735</u>	<u>12,448</u>	<u>297,597</u>

See accompanying notes to financial statements.

FAIRWAYS FOR WARRIORS, INC.

Statement of Cash Flows

Year ended December 31, 2020

Cash flows from operating activities:	
Change in net assets	\$ 132,683
Adjustments to reconcile changes in net assets to net cash flows from operating activities:	
Net increase (decrease) in cash flows from changes in:	
Accounts receivable	(2,000)
Accounts payable and accrued expenses	2,241
Accrued compensation	<u>6,615</u>
Net cash provided by operating activities	<u>139,539</u>
Net increase in cash and cash equivalents	139,539
Cash and cash equivalents, beginning of year	<u>136,069</u>
Cash and cash equivalents, end of year	<u><u>\$ 275,608</u></u>

See accompanying notes to financial statements.

FAIRWAYS FOR WARRIORS, INC.

Notes to Financial Statements

December 31, 2020

(1) **Nature of Organization and Summary of Significant Accounting Policies**

(a) **General**

Fairways for Warriors, Inc. (Fairways or Organization), a Florida not-for-profit corporation, was formed in December 2010. Fairways provides support to disabled active military service personnel and veterans by using golf instructions and playing golf. The mission of the Organization is to provide both physical and emotional rehabilitation of injured United States service personnel.

(b) **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting.

(c) **Basis of Presentation**

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization prepares its financial statements on an entity wide basis, focusing on the organization as a whole. Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations and, therefore, available for use in general operations.
- Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

FAIRWAYS FOR WARRIORS, INC.

Notes to Financial Statements

December 31, 2020

(1) **Nature of Organization and Summary of Significant Accounting Policies - Continued**

(d) **Cash and Cash Equivalents**

Cash and cash equivalents include all cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less when purchased.

(e) **Concentrations of Risk**

The Organization operates in Texas, North Carolina, Rhode Island, and multiple areas throughout Florida. Support is received from a geographically diverse group of donors.

(f) **Accounts Receivable**

Accounts receivable, as applicable, are stated at net realizable value. Management closely monitors outstanding receivables and charges off to expense any balances that are determined to be uncollectible. No bad debt expense was incurred during the year ended December 31, 2020.

(g) **Promises to Give**

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give are recorded at their estimated net realizable value.

(h) **Donated Materials, Facilities and Services**

Contributed services are recognized if the services received create or enhance non-financial assets or require specialized skills and would typically need to be purchased if not provided by contributions. Contributed materials and facilities are recorded at their fair value at the date of the gift. The estimated fair value of contributed materials, facilities and services is reflected as support and expenses in the accompanying statements of activities and statements of functional expenses in the period in which the materials, facilities and services are received. For the year ended December 31, 2020 no contributed materials, facilities or services were received.

FAIRWAYS FOR WARRIORS, INC.

Notes to Financial Statements

December 31, 2020

(1) **Nature of Organization and Summary of Significant Accounting Policies - Continued**

(i) **Income Taxes**

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated business.

The Organization has adopted the recognition requirements for uncertain income tax positions as required by accounting principles generally accepted in the United States of America (US GAAP), with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain tax positions at December 31, 2020.

(j) **Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from these estimates.

(k) **Functional Allocation of Expenses**

The costs of providing Organization programs and administration of the Organization have been summarized on a functional basis as indicated in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses according to function, including payroll and occupancy costs which cannot be directly attributed to specific functions, is based on estimates by the Organization's management, of the time of employees involved and of percentages of assets utilized.

FAIRWAYS FOR WARRIORS, INC.

Notes to Financial Statements

December 31, 2020

(1) Nature of Organization and Summary of Significant Accounting Policies - Continued

(l) Subsequent Events

The Organization has evaluated subsequent events through May 28, 2021. All subsequent events requiring recognition, if any, as of May 28, 2021 have been incorporated into the accompanying financial statements.

(m) Change in Accounting Principles

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted presentation in these financial statements accordingly.

(2) Liquidity and Availability

As of December 31, 2020, the Organization has \$277,608 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization had no financial assets subject to donor or other restrictions as of December 31, 2020.

The following table reflects the Organization's financial assets as of December 31, 2020 reduced by amounts that are not available to meet general expenditures, as applicable, within one year of the statement of financial position date.

Cash and cash equivalents	\$ 275,608
Accounts receivable	<u>2,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 277,608</u>